



FLORENCE P. BELSER
GENERAL COUNSEL

May 19, 2006

FILED ELECTRONICALLY
HAND DELIVERED ORIGINAL

Charles L. A. Terreni, Esquire
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Progress Energy Fuel Study
Docket No.: 2005-1-E

Dear Mr. Terreni:

The Office of Regulatory Staff ("ORS") has completed a review and study of the fuel purchase methods of Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC") with respect to the above-referenced docket. This study was conducted due to the increased cost of fuel and not as a result of any findings based on the ORS staff's audits concerning PEC's present purchasing policies.

Please find enclosed the original redacted Fuel Study for public disclosure along with the Joint Motion of ORS and PEC requesting that the unredacted Fuel Study be designated and treated as confidential. The original and fifteen copies of the unredacted Fuel Study are being filed in a separate and sealed envelope with the words "confidential" marked clearly on the envelope. Please date stamp the extra copy of each filing and return the copies with our courier. By copy of this letter, we are serving the redacted Fuel Study on the parties of record in this matter.

Should you need additional information, please contact me. Thank you for your assistance.

Very truly yours,

/s/

Wendy B. Cartledge

cc/enc: Len S. Anthony, Esquire (via email and U.S. Mail)
Scott Elliott, Esquire (via email and U.S. Mail)
Garrett A. Stone, Esquire (via email and U.S. Mail)